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83-1747

11 JUL 1983

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence
Executive Director

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Post Differential

1. Pursuant to authority granted to the Secretary of State by the President, a regulation has been issued which limits the amount of post differential which can be paid to U.S. Government employees working overseas. This limitation, designed to ensure that the Ambassador is the highest paid U.S. embassy official, requires that the combination of salary and post differential cannot be more than \$100 less than the salary of an Ambassador at a Class I post. I am informed that the Agency's practice for some years has been to pay post differential to our people without consideration of the "Ambassadorial Cap." This matter surfaced last year, when the Office of General Counsel examined the issue and suggested a number of options. We then discussed the "Ambassadorial Cap" with the Department of State but these discussions did not yield a solution. After an additional conversation with the General Counsel, I called a meeting to discuss the issue. Attendees at this 6 July 1983 meeting included, among others, the General Counsel, the Inspector General, the ADDA, the ADDO, the Director of Personnel, the Director of Finance, [redacted] the Chief of the Audit Staff and my Special Support Assistant. The recommendation of the group was that post differential in excess of the cap not be paid and that, as provided by law, we waive repayment of the overpayments which previously had been made.

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2. I was informed at the 6 July meeting that the Department of State now intends to modify the Standardized Regulations which govern payment of post differential to

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permit receipt of post differentials by Ambassadors. It is believed that this change may occur in October 1983 and, if it does occur, it would likely eliminate the current limitation on post differential.

3. The participants at the 6 July meeting considered a number of options, as follows:

a. Seek approval of the Secretary of State to continue to pay the differential at current levels until the anticipated change in the Standardized Regulations. It was the consensus of the group that such an approach would not be successful and, indeed, would cause problems in our relations with the Department.

b. Seek a delegation of authority from the President to the DCI with respect to post differential for Agency or intelligence community personnel. It was concluded that, with the possibility of the post differential problem being solved within a few months, raising the issue at that level may well be considered to be untimely and unnecessary.

c. Continue to pay the post differential at current levels until October 1983 through use of the DCI's Section 8 authority. It would be argued that morale problems caused by reducing the post differential now paid to certain of our senior people overseas require invocation of Section 8. This option is not favored, in part because the morale problem was seen as manageable.

d. Create a new allowance by using our new Section 4 authorities to overcome the post differential problem. It was concluded that any consideration of this option should await what transpires in October.

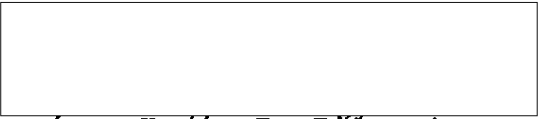
e. Terminate payment of post differential in excess of the "Ambassadorial Cap" as soon as our Office of Finance can reprogram its system. This may well cause a hardship to some of our employees, but we believe it is the appropriate course to follow at this time while we further study the problem. If the Department of State removes the "Ambassadorial Cap" in October, that action will provide us with a long-term solution. If the change does not occur, we will

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then review the available options and make an appropriate recommendation as to what, if any, course we should then adopt. Pursuant to our established procedures, we will be sending you a request that any overpayments be waived.

4. Conclusion: We recommend that you approve option "e" to terminate payment of post differential in excess of the "Ambassadorial Cap."


Harry E. Fitzwater

APPROVED:

/s/ William J. Casey

Director of Central Intelligence

25 JUL 1983

Date

OGC

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ROUTING AND RECORD SHEET				
SUBJECT: (Optional) Post Differential				
FROM: [Redacted] Associate General Counsel 7C40 HQS		EXTENSION [Redacted]	NO. 25X1 25X1	DATE 8 July 1983
TO: (Officer designation, room number, and building)	DATE RECEIVED FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)	
1. General Counsel 7D00 Hqs - SSA/ODA [Signature]	8 July	[Signature]	SBA - DPA Believe we should tell DCE how many? employees are affected which would diminish the emphasis on morale problem & on any significant no. of employees that would be disadvantaged as a result of this action	
2. DDA 7D24 Hqs				
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